



DISASTER NEWS

Economic Injury Loans for Small Businesses

Release Date: March 26, 2004
Release Number: 9Z77-78-01

Contact: Karl Whittington
Phone: (916) 735-1500

Disaster Assistance Available for Small Businesses

Sacramento, CA – Small, non-farm businesses in 15 Washington and four Oregon counties are eligible to apply for low interest disaster loans. These loans are to offset economic losses because of reduced revenue to farmers and ranchers caused by drought and excessive heat in four counties and drought in three counties, announced Alfred E. Judd, Disaster Area Director of the U. S. Small Business Administration (SBA). Small businesses in the following primary and adjacent counties may apply for economic losses that are attributable to the following incident dates in those primary counties:

Clark, Cowlitz, Skamania and Wahkiakum (adjacent Washington counties of: *Klickitat, Lewis, Pacific and Yakima* and the adjacent Oregon counties of: *Clatsop, Columbia, Hood River and Multnomah*) – drought and excessive heat from May 1 through August 31, 2003;

Island, San Juan and Skagit (adjacent Washington counties of: *Chelan, Okanogan, Snohomish and Whatcom*) – drought from May 1 through September 6, 2003.

Small businesses may qualify for Economic Injury Disaster Loans (EIDLs) of up to \$1.5 million to help meet financial obligations and operating expenses, which could have been met had the disaster not occurred. "Eligibility for these working capital loans is based on the financial impact of the disaster only, and not on any actual property damage. These loans have an interest rate of 2.953%, a maximum term of 30 years, and are restricted to businesses without the financial ability to offset the adverse impact without hardship," Judd said.

By law, SBA makes EIDLs available when the U. S. Secretary of Agriculture designates an agricultural disaster. Secretary Ann M. Veneman declared these disasters at the request of Governor Gary Locke.

Businesses primarily engaged in farming or ranching are ineligible for SBA disaster assistance. Agricultural enterprises should contact the Farm Services Agency (FSA) about the U. S. Department of Agriculture (USDA) assistance made available by the Secretary's declaration. However, in drought disasters, nurseries are eligible for SBA disaster assistance.

Information and application forms may be obtained by writing to SBA at P.O. Box 419004, Sacramento, CA 95841-9004 or by calling (800) 488-5323. Hearing impaired individuals may call (916) 735-1683. The deadline to apply is November 9, 2004.

For more information visit SBA's website at www.sba.gov/disaster.